

ALFALAH GHP ALPHA FUND



QUARTERLY REPORT

MARCH 31, 2011

Managed by



Sponsor Shareholders



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FUND'S INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
Board of Directors of the Management Company:	- Mr. Sarfraz Ali Sheikh - Mr. Abdul Aziz Anis - Mr. Shahid Hosain Kazi - Mr. Hani Theodor Karl - Mr. Shakil Sadiq - Mr. Shahab Bin Shahid
CFO & Company Secretary Of the Management Company:	- Mr. Omer Bashir Mirza
Audit Committee:	- Mr. Sarfraz Ali Sheikh - Mr. Shahid Hosain Kazi - Mr. Shakil Sadiq
Trustee:	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B' S.M.C.H.S., Main Shahra-e-Faisal Karachi-74400
Fund Manager:	- Mr. Ather Medina
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants First Floor, Sheikh Sultan Trust Bldg. No. 2 Beaumont Road P.O. Box 8517, Karachi.
Legal Advisor:	Bawany & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
Registrar:	Alfalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.

MISSION STATEMENT

Alfalah GHP Alpha Fund aims to provide its unit holders with stock market linked returns over a period of time through investments in various value, growth and dividend paying stocks.

VISION STATEMENT

Alfalah GHP Alpha Fund aims to establish itself as the investment vehicle of choice for investors who seek to achieve stock market based returns over the medium to long term through exposure to a basket of value, growth and dividend paying stocks.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of Alfalah GHP Investment Management Limited (AGIM), the management company of Alfalah GHP Alpha Fund (AGAF) is pleased to present quarterly report on the affairs of AGAF to the units holders for the quarter ended 31 March 2011.

Financial Performance

Net assets under management as on March 31, 2011 were Rs 155.290 million. During the period units worth Rs. 6.629 million were issued and units worth Rs. 65.746 million were redeemed.

AGAF earned a total income of Rs.38.247 million for the quarter ended 31 March 2011. Major sources of revenue were capital gains amounting to Rs. 24 million, profit on bank deposits Rs. 2.60 million, and dividend income of Rs.6.96 million. After accounting for expenses of Rs. 31.23 million, the net income from operating activities for the period stands at Rs. 24.30 million.

Market Performance

The equity market rally that had started in September 2010 finally ran out of steam when the KSE 100 peaked at 12,681 points in mid-January. Thereafter, a dearth of triggers dried up interest, along with volumes, and the KSE 100 witnessed an 11.5% decline to 11,223 points by end-February. Average daily turnover of the market was influenced by Index direction, with declining volumes as the Index headed south. For the Jan-Mar period, the KSE 100 Index registered a net decline of 1.8% to 11,809 points, with an average daily turnover of 99.9 million shares.

Asset Allocation

The asset allocation of AGAF as at March 31, 2011 was as follows:

Equity	73.96%
Cash	20.97%
Others	5.07%
Total	<u>100.00%</u>

Future Outlook

We expect strong earnings growth to drive the market in the later part of the year on the back of rising oil and fertilizer prices and declining non-performing loan charges. The KSE 100 is expected to maintain a positive trend, with relatively cheaper valuations available on the KSE continuing to attract foreign investment flows, especially in the Oil & Gas, Fertilizer and Banking sectors. However, any adverse taxation measures in the upcoming budget 2011/12, and / or drying up of regional investment flows, could pose a significant risk to these expectations.

Acknowledgement

The Board is thankful to the Securities and Exchange Commission of Pakistan, State Bank of Pakistan, the Trustee, Central Depository Company of Pakistan Limited and the management of Karachi Stock Exchange (Guarantee) Limited for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team for the growth and the meticulous management of the Fund.

For and on behalf of the Board

22 April 2011
Karachi

Abdul Aziz Anis
Chief Executive

**CONDENSED INTERIM STATEMENT OF
ASSETS AND LIABILITIES (UNAUDITED)**
As at 31 March 2011

	Note	31 March 2011 Un-Audited ----- (Rupees in '000) -----	30 June 2010 (Audited)
Assets			
Bank balances		33,279	54,372
Investments	5	117,386	127,512
Dividend and profit receivable		3,629	1,058
Deposits, prepayment and other receivables		2,724	2,700
Receivable against sale of investment		967	-
Preliminary expenses and floatation costs		736	962
Total assets		158,721	186,604
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company		542	283
Payable to Central Depository Company of Pakistan Limited - Trustee		61	59
Payable to Securities and Exchange Commission of Pakistan - Annual fee		115	92
Accrued expenses and other liabilities		2,713	2,051
Total liabilities		3,431	2,485
Contingencies and Commitments	6	-	-
Net assets		155,290	184,119
Unit holders' funds (as per statement attached)		155,290	184,119
Number of units in issue		2,414,101	3,452,158
		(Number of units)	
Net asset value per unit		64.33	53.33

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive

Director

**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2011**

	Nine months ended 31 March		Quarter ended 31 March	
	2011	2010	2011	2010
Note	(Rupees in '000)		(Rupees in '000)	
Income				
Capital gain on sale of investments	23,999	31,701	9,992	1,783
Dividend income	6,960	5,846	3,663	3,090
Profit on deposit accounts with banks	2,602	2,850	644	1,174
Unrealised appreciation / (diminution) in the value of investments - 'at fair value through profit or loss'	4,686	6,817	(9,064)	7,171
Total income	38,247	47,214	5,235	13,218
Expenses				
Remuneration of Alfalah GHP Investment Management Limited - Management Company	3,123	3,360	1,062	1,458
Remuneration of Central Depository Company of Pakistan Limited - Trustee	525	526	172	173
Annual fee - Securities and Exchange Commission of Pakistan	115	106	37	46
Amortisation of preliminary expenses and floatation costs	226	226	74	74
Brokerage	1,246	2,403	479	605
Fees and subscriptions	302	22	58	24
Auditor's remuneration	490	332	165	164
Bank and settlement charges	384	570	139	167
Provision for Workers' welfare fund	496	-	17	-
Printing and publication charges	107	55	107	-
Total expenses	7,014	7,600	2,310	2,711
Net income from operating activities	31,233	39,614	2,925	10,507
Net element of (loss) / income and capital (losses) /gains included in prices of units sold less those in units repurchased	(6,930)	4,217	(2,024)	3,669
Net income carried forward for distribution	24,303	43,831	901	14,176

The annexed notes 1 to 11 form an integral part of these condensed Interim financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2011**

	Nine months ended		Quarter ended	
	31 March	2010	31 March	2010
	2011		2011	
	(Rupees in '000)		(Rupees in '000)	
Net Income for the period	24,303	43,831	901	14,176
Other comprehensive income:				
Other comprehensive Income for the period	-	-	-	-
Total comprehensive Income for the period	<u>24,303</u>	<u>43,831</u>	<u>901</u>	<u>14,176</u>

The annexed notes 1 to 11 form an integral part of these condensed Interim financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive

Director

**CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2011**

	Nine months ended 31 March		Quarter ended 31 March	
	2011	2010	2011	2010
	(Rupees in '000)		(Rupees in '000)	
Undistributed Income / (loss) brought forward				
- Realized	11,842	1,799	19,934	12,176
- Unrealized	(331)	958	13,750	604
	11,511	2,757	33,684	12,780
 Net income for the period	24,303	43,831	901	14,176
 Interim distribution for the period ended 30 September 2009				
- Cash distribution: Rs. 9.6760 per unit dated 03 October 2009	-	(19,428)	-	-
- Issue of 3,726 bonus units	-	(204)	-	-
 Final distribution for the year ended 31 December 2009				
- Cash distribution : Rs. 0.71 per unit	-	(2,056)	-	(2,056)
- Issue of 7,891 bonus units	-	(444)	-	(444)
 Final distribution for the period ended 30 June 2010				
- Cash distribution : Rs. 0.5 per unit dated 22 October 2010	(945)	-	-	-
- Issue of 5,033 bonus units	(284)	-	-	-
	23,074	21,699	901	11,676
 Undistributed income carried forward				
- Realized	29,899	17,639	43,649	17,285
- Unrealized	4,686	6,817	(9,064)	7,171
	34,585	24,456	34,585	24,456

The annexed notes 1 to 11 form an integral part of these condensed Interim financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF
MOVEMENT IN UNIT HOLDER'S FUND (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2011**

	Nine months ended 31 March		Quarter ended 31 March	
	2011	2010	2011	2010
	(Rupees in '000)		(Rupees in '000)	
Net assets at the beginning of the period	184,119	104,139	160,943	166,343
Issue of 108,046 units (2010: 3,129,130 units) and 1,054 units (2010: 998,490 units) for the nine months and quarter respectively	6,629	173,523	70	56,225
Redemption of 1,151,137 units (2010: 1,641,070 units) and 132,134 units (2010: 550,334 units) for the nine months and quarter respectively	(65,746)	(94,971)	(8,648)	(30,198)
	(59,117)	78,552	(8,578)	26,027
Element of loss / (income) and capital (gains) / losses included in prices of units sold less those in units repurchased transferred to Income Statement	6,930	(4,217)	2,024	(3,669)
Final distribution of bonus units declared for the year ended 31 December 2009: 7,891 Bonus units	-	444	-	444
Interim distribution for the period ended 30 September 2009: 3,726 bonus units	-	204	-	-
Final distribution for the year ended June 2010: 5,033 bonus units	284	-	-	-
	284	648	-	444
Capital gain on sale of investments	23,999	31,701	9,992	1,783
Net unrealised appreciation / (diminution) in the value of investments - 'at fair value through profit or loss'	4,686	6,817	(9,064)	7,171
Other net (loss) / income for the period	(4,382)	5,313	(27)	5,222
Interim distribution for the period ended 30 September 2009	-	(19,428)	-	-
- Cash distribution: Rs. 9.676 per unit	-	(204)	-	-
- Issue of 3,726 bonus units	-	-	-	-
Final distribution for the year ended 31 December 2009	-	(2,056)	-	(2,056)
- Cash distribution: Rs. 0.71 per unit	-	(444)	-	(444)
- Issue of 7,891 bonus units	-	-	-	-
Final distribution for the period ended 30 June 2010	(945)	-	-	-
- Cash distribution: Rs. 0.5 per unit	(284)	-	-	-
- Issue of 5,033 bonus units	-	-	-	-
	23,074	21,699	901	11,676
Net assets at the end of the period	155,290	200,821	155,290	200,821
	(Rupees)			
Net asset value per unit at the beginning of the period	53.33	51.36	63.23	54.16
Net asset value per unit at the end of the period	64.33	56.93	64.33	56.93

The annexed notes 1 to 11 form an integral part of these condensed Interim financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2011**

	Nine months ended		Quarter ended	
	31 March	2010	31 March	2010
	(Rupees in '000)		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for period	24,303	43,831	901	14,176
Adjustments for:				
Unrealised (gain) / loss in the value of investments - 'at fair value through profit or loss'	(4,686)	(6,817)	9,064	(7,171)
Amortisation of preliminary expenses and floatation costs	226	226	74	74
Element of loss and capital losses included in prices of units sold less those in units repurchased	6,930	(4,217)	2,024	(3,669)
Dividend income	(6,960)	(5,846)	(3,663)	(3,090)
Provision of Workers welfare fund	496	-	17	-
Profit on deposit accounts with banks	(2,602)	(2,850)	(644)	(1,174)
	17,707	24,327	7,773	(854)
(Increase) / decrease in assets				
Investments	14,812	(73,496)	21,919	(23,519)
Receivable against sale of investment	(967)	-	(432)	-
Deposits and other receivables	(24)	(3,261)	24	(3,228)
	13,821	(76,757)	21,511	(26,747)
Increase / (decrease) in liabilities				
Payable to Alfalah GHP Investment Management Limited - Management Company	259	288	82	302
Payable to Central Depository Company of Pakistan - Trustee	2	4	(1)	(1)
Payable to Securities and Exchange Commission of Pakistan - Annual fee	23	(13)	37	(73)
Payable against purchase of investments	-	397	-	(11,912)
Accrued expenses and other liabilities	166	174	86	(13)
	450	850	204	(11,697)
Dividend received	4,191	3,870	737	760
Profit on deposit accounts received	2,800	2,864	436	1,181
Net cash (used in) operating activities	38,969	(44,846)	30,661	(37,357)
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received on sale of units	6,629	173,523	70	56,225
Payment against repurchase of units	(65,746)	(94,971)	(8,648)	(30,198)
Cash Dividend paid	(945)	(31,086)	-	-
Net cash flows from financing activities	(60,062)	47,466	(8,578)	26,027
Net (decrease) in cash and cash equivalents during the period	(21,093)	2,620	22,083	(11,330)
Cash and cash equivalent at the beginning of the period	54,372	33,526	11,196	47,476
Cash and cash equivalent at the end of the period	33,279	36,146	33,279	36,146

The annexed notes 1 to 11 form an integral part of these condensed Interim financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive

Director

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2011

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Alpha Fund is an open-end collective investment scheme ("the Fund") established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, ("the Management Company") and Central Depository Company of Pakistan Limited, ("the Trustee"). The Trust Deed was executed on 27th Dec, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules 2003 ("NBFC Rules"), on 29th Feb, 2008.

The Management Company of the Fund has been licensed by SECP to act as an Asset Management Company under NBFC Rules. The registered office of the Management Company is situated at 12th Floor, Tower A, Saima Trade Tower, I.I Chundrigar Road Karachi.

Alfalah GHP Alpha Fund is listed on the Karachi Stock Exchange. The Units of the Fund are offered to public on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund offers two types of Units Growth and Income. Growth Unit Holders are entitled to bonus unit and Income Unit Holders are entitled to cash dividend at the time of distribution by Fund

Alfalah GHP Alpha Fund (AGAF) is open-end Equity Fund. The primary investment objective of the fund is long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM3' (Outlook: Positive) to the Management Company in its rating report dated 22 February 2011 and 4 Star (short term) to the fund in its rating report dated October 25, 2010.

The "Title" to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

These financial statements comprise of the condensed interim statement of assets and liabilities as at March 31, 2011 and the related condensed interim income statement, condensed statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' funds, condensed interim cash flow statement and notes thereto, for the period ended March 31, 2011.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the requirement of approved accounting standards as applicable in Pakistan, the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP shall prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting' and should be read in conjunction with the financial statements of the Fund for the year end June 30, 2010. These condensed interim financial statements are unaudited.

The Directors of the Asset Management Company declare that these condensed interim financial statements give a true and fair view of the Fund.

2.2 Basis of measurement

These condensed interim financial information have been prepared under the historical cost convention, except that investments held at 'fair value through profit or loss' category are measured at fair value.

2.3 Functional and presentation currency

These condensed interim financial information are presented in Pak Rupees which is the functional and presentation currency of the Fund and have been rounded off to the nearest thousand of Rupees.

2.4 Use of estimates and judgments

The preparation of condensed interim financial information requires the Management Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by the Management in applying accounting policies and the key sources of estimating uncertainty are the same as those that applied to financial statements as at and for the year ended 30 June 2010.

3 ACCOUNTING POLICIES

The Accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Fund for the year ended June 30, 2010.

- 3.1 Earnings per unit (EPU) for the period ended March 31, 2011 has not been disclosed in these condensed interim financial statements as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

4. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objective and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2010

	31 March	30 June
	2011	2010
	(Unaudited)	(Audited)
	(Rupees in '000)	

5. INVESTMENTS

'at fair value through profit or loss'

Investment in quoted equity securities - 'Held for trading'	5.1	<u>117,386</u>	<u>127,512</u>
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5.1 In Quoted equity securities - 'Held for trading'

Name of the investee company	As at 01 July 2010	Purchases during the period	Bonus/ Rights Issue	Sales during the period	As at 31 March 2011	Cost as at 31 March 2011	Market value as at 31 March 2011	Unrealized appreciation / (diminution) in the value of investments	Investment as a percentage of net assets	Market value as a percentage of total investments	Par value as a percentage of issued share capital
	Number of shares				(Rupees in '000)						
Chemicals											
ICI Pakistan Limited	-	55,000	-	55,000	-	-	-	-	-	-	0.00
Engro Chemical Pakistan Limited	75,000	301,766	10,000	326,766	60,000	11,137	12,347	1,210	7.95	0.11	0.00
Fauji Fertilizer Bin Qasim Limited	100,000	435,000	-	405,000	130,000	4,682	5,385	703	3.47	0.05	0.00
Fauji Fertilizer Company Limited	90,000	55,000	17,500	123,000	39,500	3,779	5,446	1,667	3.51	0.05	0.00
Lotte Pakistan PTA Limited	300,000	425,000	-	475,000	250,000	3,521	4,035	514	2.60	0.03	0.01
Dawood Hercules Chemicals Limited	-	5,000	-	5,000	-	-	-	-	-	-	0.00
Fatima Fertilizer Company Limited	-	50,000	-	-	50,000	661	669	8	0.43	0.01	0.00
						<u>23,780</u>	<u>27,882</u>	<u>4,102</u>			
Banks											
United Bank Limited	125,000	270,000	-	245,000	150,000	9,712	9,225	(487)	5.94	0.08	0.00
Allied Bank Limited	-	100,000	2,500	100,000	2,500	159	149	(10)	0.10	0.00	0.00
National Bank of Pakistan	116,713	233,287	28,250	250,000	128,250	7,159	7,313	154	4.71	0.06	0.00
Habib Bank Limited	-	12,160	-	12,160	-	-	-	-	-	-	0.00
MCB Bank Limited	20,000	306,500	1,000	316,500	11,000	2,195	2,282	87	1.47	0.02	0.00
Faysal Bank Limited	-	25,000	-	25,000	-	-	-	-	-	-	0.00
Askari Bank Limited	-	50,000	-	50,000	-	-	-	-	-	-	0.00
						<u>19,225</u>	<u>18,969</u>	<u>(256)</u>			
Non Life Insurance											
Adamjee Insurance Company Limited	-	80,000	-	55,000	25,000	2,063	1,863	(200)	1.20	0.02	0.00
						<u>2,063</u>	<u>1,863</u>	<u>(200)</u>			
Oil & Gas											
Mari Gas Company Limited	-	25,500	-	25,500	-	-	-	-	-	-	0.00
Oil & Gas Development Company Limited	125,000	47,500	-	127,500	45,000	5,978	6,105	127	3.93	0.05	0.00
Pakistan Oilfields Limited	50,000	199,000	-	210,500	38,500	12,082	12,516	434	8.06	0.11	0.00
Pakistan Petroleum Limited	50,000	263,200	6,000	279,200	40,000	8,517	8,456	(61)	5.45	0.07	0.00
Pakistan State Oil Company Limited	70,000	248,130	-	290,630	27,500	7,912	7,632	(280)	4.91	0.07	0.00
Attock Refinery Limited	-	95,000	-	95,000	-	-	-	-	-	-	0.00
National Refinery Limited	-	65,000	-	65,000	-	-	-	-	-	-	0.00
Attock Petroleum Limited	10,000	82,700	-	92,700	-	-	-	-	-	-	0.00
						<u>34,489</u>	<u>34,709</u>	<u>220</u>			
Electricity											
Hub Power Company Limited	300,000	-	-	-	300,000	5,280	11,292	6,012	7.27	0.10	0.01
Nishat Power Limited	-	100,000	-	100,000	-	-	-	-	-	-	0.00
Kot Addu Power Company Limited	101,200	50,000	-	151,200	-	-	-	-	-	-	0.00
Nishat Chun Power	-	50,000	-	-	50,000	865	788	(77)	0.51	0.01	
						<u>6,145</u>	<u>12,080</u>	<u>5,935</u>			
Personal Goods											
Amtex Limited	100,000	-	-	100,000	-	-	-	-	-	-	0.00
Nishat (Chunian) Limited	-	100,000	-	100,000	-	-	-	-	-	-	0.00
Azzard Nine Limited	-	100,000	-	100,000	-	-	-	-	-	-	0.00
GlaxoSmithKline (Pakistan) Limited	-	10,000	-	10,000	-	-	-	-	-	-	0.00
Nishat Mills Limited	-	855,000	-	680,000	175,000	11,150	11,373	223	7.32	0.10	0.01
						<u>11,150</u>	<u>11,373</u>	<u>223</u>			
Fixed Line Communication											
Pakistan Telecommunication Company Limited	256,540	-	-	256,540	-	-	-	-	-	-	0.00
						<u>-</u>	<u>-</u>	<u>-</u>			
Construction and Materials											
D.G.Khan Cement Company Limited	25,000	545,000	-	570,000	-	-	-	-	-	-	0.00
Lucky Cement Limited	50,000	300,000	-	250,000	100,000	7,011	6,748	(263)	4.35	0.06	0.00
						<u>7,011</u>	<u>6,748</u>	<u>(263)</u>			
General Industries											
Thal Limited	-	35,000	-	-	35,000	4,529	3,762	(767)	2.42	0.03	0.01
						<u>4,529</u>	<u>3,762</u>	<u>(767)</u>			
Total						<u>108,392</u>	<u>117,386</u>	<u>8,994</u>			

All shares have a face value of Rs. 10 each unless otherwise stated.

	31 March 2011	30 June 2010
	Un-Audited	(Audited)
	----(Rupees in '000)----	
5.2 Net unrealised appreciation / (diminution) fair value of investments classified as 'at fair value through profit or loss'		
Fair value of investments	117,386	127,512
Cost of investments	(108,392)	(127,843)
Unrealised appreciation / (diminution) in the value of investments	8,994	(331)
Net unrealised appreciation / (diminution) in the value of investments at the beginning of the period	331	(7,424)
Realized on disposal during the period	(4,639)	2,812
	(4,308)	(4,612)
Net unrealised appreciation / (diminution) in the value of investments at the end of the period	4,686	(4,943)

6. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 31 March 2011.

7. WORKERS' WELFARE FUND

Through the Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment it appears that WWF Ordinance has become applicable to all Collective Investment Schemes (CISs) whose income exceeds Rs. 0.5 million in a tax year. Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letters dated 8 July and 15 July 2010 issued advice and clarifications that the WWF Ordinance 1971 does not have any provisions for the applicability on Mutual Funds because they are ruled and governed by separate laws and the income on Mutual Fund(s), the product being sold, is exempted under the law *ibid*.

Further, the Secretary (Income Tax Policy) Federal Board of Revenue issued a letter dated 6 October 2010 to the Members (Domestic Operation) North and South FBR in which reference was made to the clarification issued by the Ministry of Labour and Manpower stating that mutual funds are a product and their income are exempted under the law *ibid*. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office for two mutual funds for payment of levy under WWF has been withdrawn. However, there have been instances whereby show cause notices under section 221 of the Income Tax Ordinance, 2001 have been issued to a number of mutual funds and MUFAP has requested Member Policy Direct Taxes for withdrawal of such show cause notices issued to such mutual funds. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter 4 January 2011 has cancelled ab-initio clarification letter dated 6 October 2010 on applicability of WWF on mutual funds. Following the withdrawal of FBR clarification letter the Department again issued show causes notices to number of mutual fund for payment of WWF charges. In this regard, a constitutional petition has been filed by certain mutual funds through their Trustee in Honorable High Court of Sindh, challenging the applicability of WWF to mutual funds, which is pending adjudication.

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF amounting to Rs.1,995,983 up to 31 March 2011.

8. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the unit holders. The Management Company intends to distribute sufficient accounting income of the Fund for the year ending 30 June 2011 in order to comply with the above stated clause to enjoy the tax exemption. Accordingly, no tax provision has been made in these condensed interim financial information for the nine months period ended 31 March 2011.

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected Persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Arbitrium AG, Bank Alfalah limited, MAB Investment Inc. being associated companies of management company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management limited - Staff provident fund, Directors and Key Management Personnel of Alfalah GHP Investment Management Limited and Central Depository Company, being the Trustee of the Fund, and other associated companies and connected persons.

The transactions with the connected persons / related parties are in the normal course of business, at contractual rates and terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Rules 2003, NBFC Regulations 2008 and the Constitutive Documents respectively.

Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in these condensed interim financial statements are as follows:

	31 March 2011 (Unaudited)	30 June 2010 (Audited)
Transactions and Balances with connected persons / related parties (Rupees in '000)		
<i>Alfalah GHP Investment Management Limited - Management Company</i>		
Balance at beginning of the period	283	507
Remuneration for the period	2,122	1,694
Performance fee for the period	1,001	627
	3,123	2,321
Amount paid during the period	(2,864)	(2,545)
Balance at the end of the period	542	283

Central Depository Company of Pakistan Limited - Trustee

Balance at beginning of the period	59	62
Remuneration for the period	525	347
CDS charges for the period	20	17
	545	364
Amount paid during the period	(543)	(367)
Balance at the end of the period	61	59
Security deposit	200	200

Bank Alfalah Limited

Profit receivable	311	509
Bank balance at the end of the period	33,272	54,365
Profit on deposit accounts	2,602	2,386

	31 March 2011		30 June 2010	
	Units in '000	Rupees in '000	Units in '000	Rupees in '000
Units sold to:				
Bank Alfalah Limited - Employees' Provident Fund	-	-	889	50,000
Alfalah GHP Investment Management Limited - Staff Provident Fund	48	3,000	-	-
Units redeemed by:				
Alfalah GHP Investment Management Limited - Management Company	1,007	56,397	456	25,301
Alfalah GHP Investment Management Limited - Staff Provident Fund	48	3,154	-	-
Bonus Units Issue:				
Cherat Cement Company Limited - Employee's Provident Fund	3	177	4	249

	31 March 2011	30 June 2010
	Units in '000	
Units held by:		
Bank Alfalah Limited - Employees' Provident Fund	1389	1389
Bank Alfalah Limited - Employees' Gratuity Fund	500	500
Alfalah GHP Investment Management Limited - Management Company	-	1007
Cherat Cement Company Limited - Employee's Provident Fund	358	355

	Rupees in '000	
Cash dividend distributed:		
Bank Alfalah Limited - Employees' Provident Fund	694	986
Bank Alfalah Limited - Employees' Gratuity Fund	250	355
Alfalah GHP Investment Management Limited - Management Company	-	715

10 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 22, 2011 by the Board of Directors of the Management Company.

11 GENERAL

Figures have been rounded off to the nearest thousand rupees.



**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive

Director

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